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November 30, 2010

U.S. Attorney's Office District of Connecticut 915 Lafayette Blvd, Room 309

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ATTN: Mr. William Brown, Esq. Email: william.m.brown@usdoj.gov

U.S. Department of Justice Environmental Crimes Section

601 "D" Street, NW Washington, D.C. 20004 ATTN: Ms. Lana Pettus

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U.S. Probation Department District of Connecticut 157 Church Street, 22nd Floor New Haven, CT 06510

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366 Main Street

Port Washington, NY 11050 ATTN: Mr. Michael Chalos, Esq. Email: mchalos@codus-law.com

Re: United States v. Ionia Management, S.A.

United States District Court Case: 3:07-CR-134 (JBA)

Dear Parties:

After further consultation, Mr. Sanborn, Capt. Wigger and I have determined that the schedule of issues to be addressed at the Special Master's hearing, currently scheduled for January 12, 2011, should be amended. According, attached is an Amended Schedule of Issues for Consideration at the Special Master's Hearing.

As stated in my letter to the parties of November 29, 2010, any party may request additional issues be addressed at the hearing by notice to me and the other parties on or before December 20, 2010. I will issue a final letter to the parties outlining the issues to be addressed at the hearing on or before December 22, 2010.

Sincerely,

DORSEY & WHITNEY LLP

Robert C. Bundy

cc: Honorable Janet Bond Arterton (via email)

Chaning D. Burgess (via email) James Sanborn (via email) Capt. Richard Wigger (via email)

AMENDED SCHEDULE OF ISSUES FOR CONSIDERATION AT SPECIAL MASTER'S HEARING, JANUARY 2011

1. <u>Progress in fully implementing the Special Waste Oil Monitoring System</u> ("SWOMS").

- a. Operational status of the SWOMS in the M/T THEO T, the M/T FIDIAS, the M/T PLOUTOS, and the M/T ESTIA;
- b. Whether Ionia has provided documentation satisfactory to the IEC that the SWOMS onboard the M/T PLOUTOS is operating such that discrepancies between manual soundings and SWOMS data are within the tolerances considered reasonable by the IEC, considering the manufacturer's specifications;
- c. Whether Ionia has established a procedure whereby tank and manual soundings are verified by additional manual soundings during the sounding process;
- d. Feedback from Ionia technical management and seafarers regarding the SWOMS;
- e. Progress on enabling the SWOMS to transmit hourly tank soundings.

2. <u>Training</u>.

- a. Summary of onboard and shoreside training completed in 2010;
- b. Analysis of the effectiveness of the training;
- Ionia's company-wide training program for 2011, including a statement of the reasons for any changes to the program made in 2010 or contemplated for 2011;
- d. With regard to the computer-based training: a list of the topics and courses; the manner in which tests are administered and the results recorded; and whether the program has been of assistance in obtaining or maintaining certifications.

Fleet Engineering Survey.

- a. Status of the implementation of the revised and expanded Fleet Engineering Survey format;
- b. Summary of survey responses;
- c. Whether survey responses are responsive and demonstrate thoughtful consideration of the issues;

d. Whether any changes in policy, procedure or equipment utilization have resulted from the Fleet Engineering Survey or are contemplated.

4. Internal Audits.

- a. Review of the checklist and protocol used for Ionia's internal audits;
- b. Results of Ionia's internal audits since July 2010, including whether the audits have identified deficiencies or weaknesses in individual vessels, or Ionia's procedures generally;
- c. What corrections, or changes to policy resulted from the audits;
- d. Schedule of internal audits for 2011;
- e. The identity of the proposed auditors and a summary of the training of the auditors, including any auditor training proposed for 2011;
- f. Any changes in the audit process and the reasons for the changes.
- 5. <u>M/T KRITON</u>. Results of the inspection of the ODME piping through the port fuel tank of the M/T KRITON.
- 6. <u>Onboard flexible hoses.</u> Status of the procedure to tag, number and secure all onboard flexible hoses.
- 7. <u>EPA Vessel General Permit</u>. Whether Ionia has complied with the requirements of the EPA Vessel General Permit with regard to its vessels that may call at U.S. ports.
- 8. <u>Oil Transfer Procedures</u>. Whether Ionia's vessels' oil transfer procedures are in line with the requirements of 33 C.F.R. § 155.790.
- 9. <u>M/T ESTIA audit</u>. Ionia should be prepared to discuss the findings and recommendations of the audit scheduled for 12 December 2010 and Ionia's proposed or completed actions in responses.